

Commissioner Stewart Takes Action On Workers' Compensation Insurance Rates

Dover, DE – Delaware Insurance Commissioner Karen Weldin Stewart today announced action taken with respect to workers compensation insurance rates and loss costs effective December 1, 2012.

Commissioner Stewart approved an amended filing submitted by the Delaware Compensation Rating Bureau, Inc. (DCRB) which proposed an overall average increase of 14.6 percent in voluntary market loss costs and 19 percent in residual market rates.

The DCRB made an initial filing in August. That filing was the subject of an intensive review performed under the direction of the Delaware Department of Insurance. Two independent actuarial firms were hired to prepare reports in response to the DCRB filing. A Target Examination of the DCRB's data collection processes was conducted (which found the DCRB's processes to be sound). Public information sessions were held in Wilmington, Dover and Georgetown. Written public comments were requested and received. Finally, a public hearing was held, which provided opportunity for Delaware citizens, and representatives of Delaware businesses and local governments, to appear and offer comments.

The residual market rates and voluntary market loss costs that are included in the DCRB's amended filing were approved after consideration of all available information, including public input. The rates and loss costs in the amended filing are lower than those in the initial filing, which proposed an average increase of 43.5 percent in the residual market and 38.3 percent in the voluntary market loss costs. They are also

significantly lower than the rates and loss costs recommended by the two independent actuarial firms. Commissioner Stewart stated ***“I recognize that any rate increase in the workers’ compensation system is going to be tough on businesses during this economic climate. The amended rates I approved were the best balance between the several considerations that bear on the workers compensation filing. Using the 2010 policy year, the range of savings between the DCRB original filed amount and the approved amount is estimated to be more than \$22 million dollars.*”**

Commissioner Stewart further stated, ***“I look forward to continuing dialogue and cooperation between the Department of Insurance, the Department of Labor, the Health Care Advisory Panel, the DCRB and other interested parties to better understand the Delaware workers compensation system and to identify potential opportunities to make that system more efficient and effective in serving all of the key constituencies of the Delaware workers compensation system.”***

For businesses that are not currently enrolled in the Workplace Safety Program and would like to learn about additional savings in workers’ compensation costs; please contact the Office of Workplace Safety at the Delaware Department of Insurance at 302-674-7378.